



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

DEC 18, 1997

DP (DAR)

In reply refer to
DAR Tracking Number: 97-00009

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS AGENCY

SUBJECT: Class Deviation--Past Performance

This supersedes the class deviation issued on December 20, 1996, under DAR Tracking Number 96-00010, Subject: Past Performance.

Effective immediately, all military departments and defense agencies shall use the attached language in lieu of Federal Acquisition Regulation (FAR) 15.304(c)(3) and 42.1502(a) when collecting and using past performance information.

This class deviation implements the Under Secretary of Defense (Acquisition and Technology) (USD(A&T)) policy issued in a memorandum dated November 20, 1997, and entitled, "Collection of Past Performance Information in the Department of Defense." The deviation requires past performance evaluation in all source selections for negotiated competitive acquisitions expected to exceed \$5 million for Systems and Operations Support (as defined in the USD(A&T) policy memorandum); or expected to exceed \$1 million for all other acquisitions, except for lower thresholds specified in the November 20 policy memorandum for Fuels and Health Care business sectors. The deviation requires preparation of an evaluation of contractor performance for each contract in excess of \$5 million for Systems and Operations Support acquisitions and \$1 million for all other acquisitions. Collection and use of past performance information within the Department of Defense shall be performed in accordance with the USD(A&T) policy memorandum until January 30, 1999.



FAR 15.304(c)(3) and 42.1502(a) implement Office of Federal Procurement Policy Letter 92-5, Past Performance Information. The Acting Administrator, Office of Federal Procurement Policy, concurred with this deviation from that policy letter. Therefore, I am authorizing this class deviation from the requirements in FAR 15.304(c)(3) and 42.1502.

This class deviation is approved until January 30, 1999, or until the FAR is revised, whichever occurs first.

A handwritten signature in cursive script that reads "Eleanor Spector".

Eleanor R. Spector
Director, Defense Procurement

Attachment

cc: DSMC, Ft. Belvoir

PART 15--CONTRACTING BY NEGOTIATION

* * * * *

Subpart 15.3--Source Selection

* * * * *

15.304 Evaluation Factors and Subfactors

* * * * *

(c) * * *

(3)(i) Except as set forth in paragraph (c)(3)(iii) of this section, past performance shall be evaluated in all source selections for negotiated competitive acquisitions **expected to exceed \$5,000,000 for Systems and Operations Support or** expected to exceed \$1,000,000 **[for all other acquisitions]**.

~~(ii) Except as set forth in paragraph (c)(3)(iii) of this section, past performance shall be evaluated in all source selections for negotiated competitive acquisitions issued on or after January 1, 1999, for acquisitions expected to exceed \$100,000. Agencies should develop phase-in schedules that meet or exceed this schedule.~~

~~(iii)~~ **[ii]** Past performance need not be evaluated if the contracting officer documents the reason past performance is not an appropriate evaluation factor for the acquisition (OFPP Policy Letter 92-5).

* * * * *

PART 42--CONTRACT ADMINISTRATION

* * * * *

Subpart 42.15--Contractor Performance Information

* * * * *

42.1502 Policy

(a) Except as provided in paragraph (b) of this section, agencies shall prepare an evaluation of contractor performance for each contract in excess of **[\$5,000,000 for Systems and Operations Support contracts and]** \$1,000,000 **[for all other contracts]** (regardless of the date of contract award) ~~and for each contract in excess of \$100,000 beginning not later than January 1, 1998 (regardless of the date of contract award), at the time the work under the contract is completed.~~

* * * * *